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Weekly Hog Report

September 8, 2014

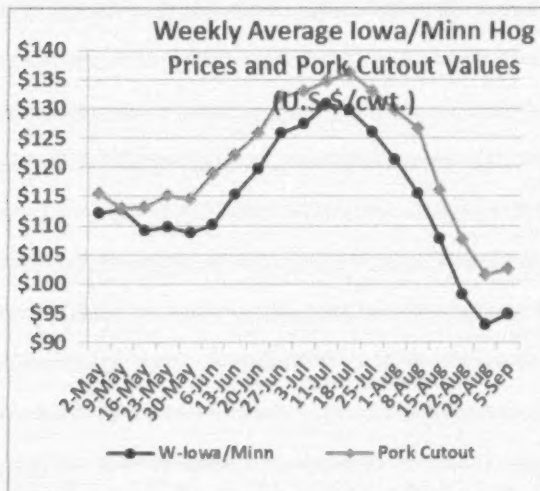
Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) finally rebounded last week, week-over-week. Cash market hog prices had been trending lower since mid-July losing close to 30 per cent in value. Hog prices on Friday averaged US\$98.71 per cwt, up US\$6.12 per cwt or 6.6 per cent from US\$92.59 per cwt the previous Friday. The negotiated base price for the week averaged US\$94.79 per cwt, up US\$1.84 per cwt or 2.0 per cent from US\$92.95 per cwt the previous week.

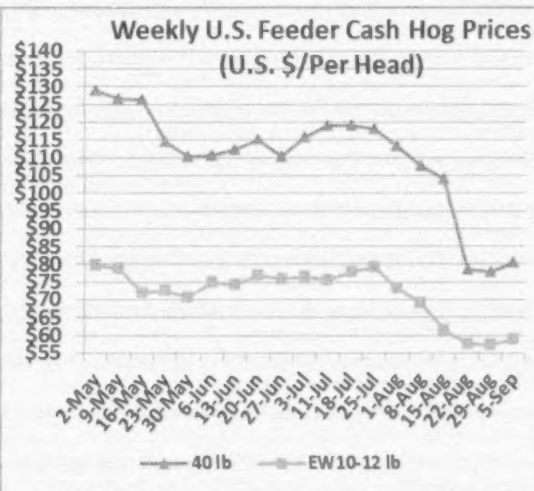
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday September 5, 2014 was \$192.67 per ckg, up \$12.57 per ckg or 7.0 per cent from \$180.10 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$187.25 per ckg, up \$0.82 per ckg or 0.4 per cent from the previous weeks' average price of \$186.43 per ckg. The Canadian dollar closed Friday at 91.90 cents, up 0.07 cents from the previous Friday close of 91.97 cents.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices rebounded last week after declining since late July. Last week weighted average cash prices for iso-weans (12lb) were US\$58.79 per head, up US\$1.42 per head from US\$57.37 per head the previous week. Feeders (40lb) were US\$80.42 per head, up US\$2.72 per head from US\$77.70 per head the previous week.



Source: LMIC

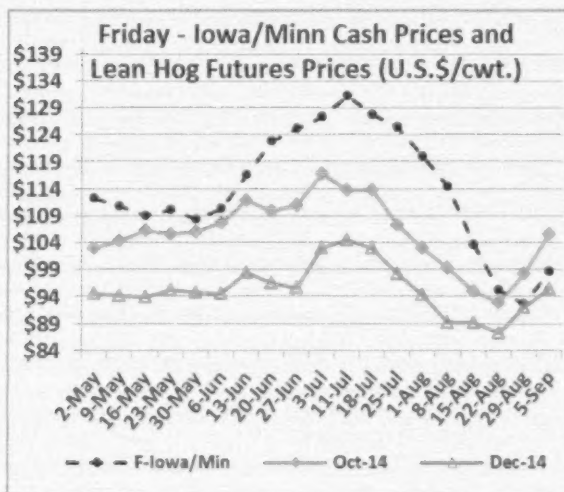


Source: LMIC

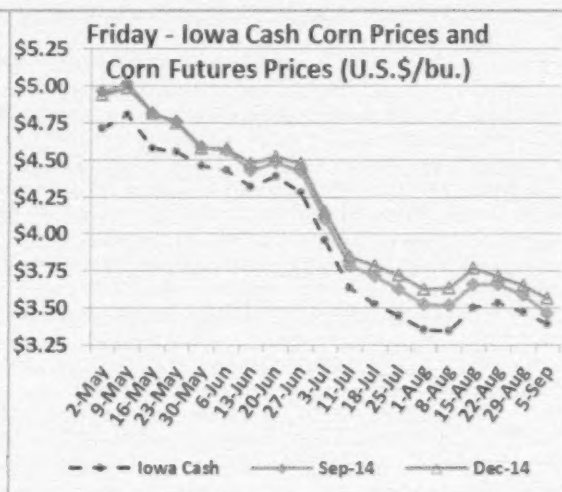
Futures Markets

Lean hog futures prices moved noticeably higher last week, particularly the nearby October contract. The October contract increased US\$7.500 per cwt to settle Friday at US\$105.625 per cwt. The December contract increased US\$3.45 per cwt to settle Friday at US\$95.45 per cwt. The market still has concerns around the PED virus in North American and the uncertainty around future hog supplies and potential new PED cases.

Agriculture commodity futures markets were mixed overall with many nearby grain future markets lower. The nearby corn, wheat, and soybean futures prices were lower week-over-week, along with lower crude oil and gold futures prices.



Source: CME



Source: CME

Iowa cash corn prices moved lower week-over-week decreasing 8 cents per bushel to end Friday at US\$3.39 per bushel. The September corn futures contract was down over 12 cents to settle Friday at US\$3.46½ per bushel, while the December corn futures contract was down almost 9 cents to settle Friday at \$3.56 per bushel. Continued good crop prospects as harvest gets closer has continued to keep corn prices under pressure, and well below year-over-year prices.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week for the shorter Labor Day holiday week ending September 6 were estimated at 1.780 million head, down 10.1 per cent from 1.979 million head the previous week, and down 10.2 per cent from 1.983 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending September 6 averaged 1.942 million head, down 9.5 per cent from 2.145 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending August 30, 2014 were estimated at 400,135 head, down 1.9 per cent from 408,062 head the previous week, and down 1.8 per cent from 407,462 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending August 30 were estimated to average 391,599 head, up 0.3 per cent from 390,485 head over the same period a year ago.

Meat Production

U.S. pork production for shorter holiday week ending September 6 was estimated at 378.3 million lb., down 10.2 per cent from 421.3 million lb. the previous week, and down 6.5 per cent from 404.8 million lb. the same week a year ago. Pork production over the last four weeks ending September 6 was estimated to average 413.3 million lb., down 5.2 per cent from 436.2 million lb. over the same four week period a year ago.

U.S. beef production for the shorter holiday week ending September 6 was estimated at 420.5 million lb., down 11.2 per cent from 473.5 million lb. the previous week, and down 8.9 per cent from 461.5 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending August 30, 2014, was estimated at 1.953 billion lb., down 1.7 per cent from 1.987 billion lb. over the same four weeks a year ago, and down 1.9 per cent year-to-date.

United States Weekly Meat Production

(Aug. 30) Four Week Average - Million Lb.			Percent Change	
	2013	2014	4wk. 2014	YTD 2014
Pork	432.4	416.4	-3.7%	-0.8%
Beef	501.2	467.4	-6.8%	-5.6%
Chicken	921.6	936.3	1.6%	-0.2%
Turkey	131.9	133.4	1.1%	-4.0%
Total	1,987.0	1,953.4	-1.69%	-1.94%

Source: LMIC

Cutout Values

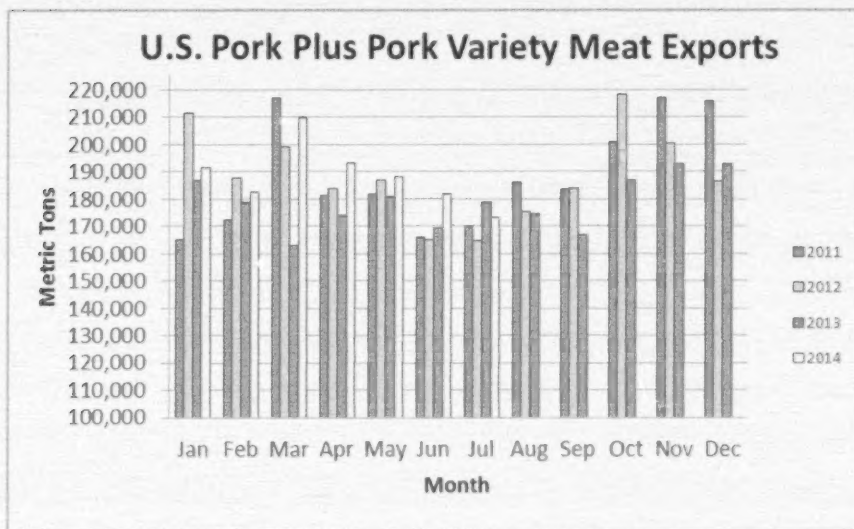
U.S. pork cutout values managed to edge higher last week and were both higher daily and by weekly average, week-over-week. The U.S. pork cutout values for the week ending September 6, 2014 averaged US\$102.67 per cwt, up US\$1.00 per cwt or 1.0 per cent from US\$101.67 per cwt from the previous week, and up 7.6 per cent from US\$95.39 per cwt the same week a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending September 6 averaged US\$247.62 per cwt, down slightly from the average price of US\$247.75 per cwt from the previous week, but up 26.4 per cent from US\$195.94 per cwt the same week a year ago.

United States Pork Exports

United States exported 173,270 metric tons of pork plus pork variety meats in July 2014, down 4.5 per cent from 181,531 metric tons in June 2014, and down 3.1 per cent from 178,794 metric tons in July 2013. By dollar amount, U.S. pork exports in July 2014 were US\$573.5 million, down 2.0 per cent from US\$585.1 million in June 2014, but up 14.1 per cent from US\$502.6 million in July 2013. Higher pork values in July 2014 have helped to increase sales by dollar value compared to July 2013. For the first seven months of 2014, U.S. pork sales have totaled just over US\$4.0 billion, up 16.3 per cent by sales value compared to the first seven months of 2013. By volume, U.S. pork exports from January to July 2014 totaled 1.319 million metric tons, up 7.2 per cent compared to the same period in 2013. The big increases in pork exports by absolute sales value were

primarily to Mexico, Japan, and South Korea; while the largest losses were to Russia and China. U.S. pork exports to Russia over this period only made up about 2.4 per cent by volume and 2.9 per cent by sales value. (Source: U.S. Meat Export Federation)



Source: U.S. Meat Export Federation

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